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February 16, 2000

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TN REGULATORY AUTHORITY
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VIA HAND DELIVERY

Mr. Darrell Whitis
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Application of KNOLOGY of Tennessee, Inc.
Docket No. 00-00058

Dear Mr. Whitis:

In response to the data request you issued last week, KNOLOGY submits the following responses:

Financial Qualifications

1. **Indicate whether the financial statements reflect any amount related to reciprocal compensation for terminating ISP traffic.**

Response:

None of the amounts on the financial statements contained in Exhibits 6 and 7 of KNOLOGY's application are related to reciprocal compensation for terminating ISP traffic.

2. **Comment on the company's strategy in handling the projected losses.**

Response:

KNOLOGY will fund its network and operations through the use of its internally generated cash flow, current revolving credit facility and future equity and debt offerings. As with any new business that is capital intensive, projected losses are commonplace in the early years as investment in the marketplace is made and customer base is established. KNOLOGY has a proven track record for raising the

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money necessary to carry its business through the projected loss periods. Since its inception KNOLOGY has:

- * raised \$62 million in private equity investments, 1995-1997
- * raised \$242 million in a debt offering in October, 1997
- * closed on a \$50 million revolving credit facility in December, 1998
- * raised \$150 million in private equity investment in February, 2000

IntraLATA Toll Dialing Parity Plan

1. **Include a list of exchanges in which IntraLATA Toll Dialing Parity will be provided.**

Response:

KNOLOGY plans to provide IntraLATA Toll Dialing Parity in all major metropolitan exchanges that it hopes to serve.

2. **Identify the LATA with which it is proposed to associate.**

Response:

KNOLOGY does not plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines or any areas served by a telephone cooperative unless otherwise permitted by applicable federal or state law. Therefore, KNOLOGY's IntraLATA toll dialing Parity Plan would be associated only with BellSouth and Sprint/United LATAs currently.

3. **Include Anti-Slamming Procedures.**

Response:

In all states that it is currently authorized to offer local and long distance service, KNOLOGY uses one of two methods for verifying a customer's carrier selection. First, KNOLOGY uses an independent third party verification company for verbal verification. Second, KNOLOGY verifies a customer's carrier selection by using a signed Letter of Agency (LOA). KNOLOGY employees will not process an order without one of these two forms of verification. Please see Attachment A for more information.

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- 4. State the PIC change amount. State whether a PIC change charge waiver period is proposed and for how long.**

Response:

The PIC change charge is \$1.50. A description of, and the rate for, this charge will be included in KNOLOGY's local services tariff, which will be filed subsequent to KNOLOGY's certification. Regarding the PIC charge waiver, it is KNOLOGY's understanding that, since there is no existing customer base, there is no need for the waiver.

- 5. Include statements concerning nondiscriminatory access to telephone numbers, operator services, directory assistance and directory listings (if applicable).**

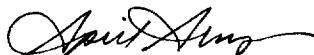
Response:

KNOLOGY will provide nondiscriminatory access to telephone numbers, operator services, directory assistance and directory listings. This assertion will be further acknowledged in KNOLOGY's tariffs, which will be filed subsequent to KNOLOGY's certification.

Thank you for your courtesies in this matter. Should you require additional information please give me a call at 252-2302.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC



By:
April A. Ingram

AAI/nl

c: Bruce Schoonover, KNOLOGY

ATTACHMENT A

BUSINESS OFFICE PROCEDURES FOR CUSTOMER ORDER PROCESSING

To: All Telephone Coordinators

From: Kevin Nolan, Director of Regional Operations

Re: Order Verification and Processing

As you know, slamming is changing a person's local or long distance carrier without their authorization. Currently the FCC and State regulatory bodies are assessing fines of up to \$75,000 per slamming violation. The following procedures should be completed daily, not only to ensure quality control for subscriber orders, but also to ensure compliance with Federal and State rules that govern KNOLOGY.

Each morning you will receive electronically a file from VoiceLog, our independent Third Party Verification (TPV) Company. The file is a record of all phone numbers verified the previous day by VoiceLog. Your Quality Control person will be reviewing the previous day's orders for accuracy and completeness.

Each phone order must have either a signed Letter of Agency (LOA) on the approved form or it must be on the TPV log. If there is no TPV or there is no LOA form signed by the customer, the order must be returned to the manager of department that originated the order (local CSRs, sales department, Call Center). **The order can not go forward without the TPV or LOA.**

TPVs that come back to us as "incomplete" must be completed before the order can be processed further.

Please let me know if you have any questions or comments about this information. Thank you.